

1st Quarterly Report 2008
UNIQA Versicherungen AG



Group Key Figures

	1-3/2008 € million	1-3/2007 € million	Change %
Total premiums written	1,633	1,440	+13.4
of which recurring premiums	1,385	1,329	+4.2
of which single premiums	248	111	+123.7
of which savings portion of premiums from unit- and index-linked life insurance	227	120	+88.6
Premiums earned by business line			
Property and casualty insurance	530	443	+19.8
Health insurance	235	229	+2.8
Life insurance	377	340	+10.7
Total	1,142	1,012	+12.9
Insurance benefits¹⁾			
Property and casualty insurance	-316	-290	+8.8
Health insurance	-214	-213	+0.4
Life insurance	-361	-393	-8.0
Total	-891	-896	-0.5
Operating expenses²⁾			
Property and casualty insurance	-162	-147	+10.0
Health insurance	-30	-37	-16.9
Life insurance	-90	-70	+28.4
Total	-282	-254	+11.2
Net investment income	79	233	-66.2
Investments	21,647	21,606	+0.2
Profit on ordinary activities	42	63	-33.2
Insured capital in life insurance	61,549	57,844	+6.4

¹⁾ Incl. expenditure for deferred profit participation and premium refunds.

²⁾ Incl. reinsurance commissions and profit shares from reinsurance business ceded.

Share key figures	1-3/2008 €	1-3/2007 €	Change %
UNIQA share price as at 31.3.	16.67	25.00	-33.3
High	21.46	25.66	
Low	15.40	23.45	
Market capitalisation as at 31.3. (€ million)	1,997	2,994	-33.3
Earnings per share	0.12	0.39	-69.7

Information on UNIQA shares	
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime Market, Vienna Stock Exchange
Trade segment	Official trading
Indices	ATXPrime, WBI, VÖNIX
No. of shares	119,777,808

Financial Calendar	
Ex-Dividend Day, Dividend Payment Day	2 June 2008
Road show Vienna Stock Exchange in London	3 July 2008
2nd Quarterly Report 2008, Conference Call	29 August 2008
3rd Quarterly Report 2008, Conference Call	27 November 2008

Group Quarterly Management Report

- Premium volume written by UNIQA Group grew by 13.4%.
- Growth in Eastern Europe was 53.2%.
- Insurance benefits continue to drop.
- Profit before tax decreased to €42 million due to the weak capital markets in the 1st quarter.

Economic environment

Economic growth in the Euro zone was surprising, considering the weakness of the US in the 1st quarter of 2008. Although the only currently available numbers are those from the industry production, they show a clearly positive picture and indicate that it would be inaccurate to speak of a recession in Europe. However, according to preliminary indicators, there was a slight deterioration of growth dynamics. Specifically Italy and Spain could show a negative growth rate, whereas Germany and France had surprisingly positive numbers. The European Central Bank therefore had no reason to adjust the prime rate since the economy is intact and the inflation is also clearly above the 2% mark. In the US, however, the economy will have only barely grown in the 1st quarter of 2008. The US Federal Reserve again significantly lowered the prime rates to 2.25% due to the weak economic situation and the financial crisis. The international central banks also had to make liquidity available to the banks on several occasions since the crisis was resulting in a strong rise in interest rates on the money market.

Although the growth outlook worsened in Eastern Europe, the growth rates are still beyond the 5% mark. Growth in most countries is still driven by very high domestic demand. Only Hungary is limping behind due to its restrictive fiscal politics. Because of the growing inflation rates in the Czech Republic, Hungary and Poland, numerous central banks in the region raised the prime rates.

Financial accounting principles, scope of consolidation

The quarterly statement of the UNIQA Group was prepared in accordance with the International Accounting Standards as well as the International Financial Reporting Standards. This interim report has been prepared in accordance with IAS 34. The scope of the fully consolidated companies was expanded by the Ukrainian company Credo-Classic as of 31 March 2008. However, the results for this company for the 1st quarter of 2008 were still included at equity. SIGAL Holding sH.A. in Albania was valued at equity for the first time in the 1st quarter of 2008.

Standard & Poor's confirms "A" rating and stable outlook

The international rating agency Standard & Poor's once again rated the financial strength of the UNIQA Group with an "A" in early 2008, and has also confirmed a stable outlook for the Group. The key factors emphasised included the impressive competitive position in Austria, the strong operational performance and the growing share of premiums in foreign markets. The successful profit improvement programmes that have massively increased the Group's profitability in recent years, and will generate further profit growth by 2010, were also recognised.

Premium volume written grew by 13.4%

The premium volume written by the UNIQA Group (including the savings portion of premiums from unit- and index-linked life insurance) rose by 13.4% in the 1st quarter of 2008 to €1,633 million (1–3/2007: €1,440 million) not including significant consolidation effects. At the same time,

single premium policies increased by 123.7% to €248 million (1–3/2007: €111 million), while premiums in the area of recurring premium products grew by 4.2% to €1,385 million (1–3/2007: €1,329 million).

In Austria, the premiums increased by 4.7% to €1,064 million (1–3/2007: €1,016 million). The recurring premium business recorded an increase of 1.4% to €963 million on the Austrian market in the first three months of 2008 (1–3/2007: €950 million). Sales of single premium products rose by 51.4% to €101 million (1–3/2007: €67 million). The single premiums in the unit-linked life insurance increased as desired by 131.2%, while the single premiums in classic life insurance decreased according to plan (–40.1%).

The growth of Group companies in Eastern and south-eastern Europe was also very strong in the beginning of 2008 – premiums rose by 53.2% to €288 million in the first three months (1–3/2007: €188 million), thereby contributing 17.6% (1–3/2007: 13.0%) to the Group premiums. The business shares of the Eastern European companies thus exceeded that of the Western European Group companies for the first time. But the business volume in Western Europe also increased again in the 1st quarter of 2008. Compared to the same period of the preceding year, the premiums increased by 19.1% to €281 million (1–3/2007: €236 million). Overall, the share of international business at the end of the 1st quarter of 2008 was 34.8% (1–3/2007: 29.4%).

Including the net savings portion of premiums from unit- and index-linked life insurance to the value of €215 million (1–3/2007: €112 million), the premium volumes earned rose by 20.8% to €1,357 million (1–3/2007: €1,124 million) in the 1st quarter of 2008. Compared to the same period in 2007, the retained premiums earned (according to IFRS) grew by 12.9% to €1,142 million (1–3/2007: €1,012 million).

Property and casualty insurance

The premium volume written in property and casualty insurance grew in the first three months of 2008 by 6.0% to €764 million (1–3/2007: €721 million). While premiums in Austria grew by 2.1% to €453 million (1–3/2007: €443 million), they climbed drastically in the growth regions of Eastern and south-eastern Europe by 19.3% to €159 million (1–3/2007: €133 million), thereby contributing 20.8% (1–3/2007: 18.5%) to the total premiums in property and casualty insurance. Very satisfactory premium growth of 5.9% to €153 million (1–3/2007: €144 million) was also achieved in the Western European markets. The premium share of Western Europe in the 1st quarter of 2008 therefore remained stable at 20.0% (1–3/2007: 20.0%). As a result of this development, the international share rose to a total of 40.8% (1–3/2007: 38.5%).

The retained premiums earned (according to IFRS) in property and casualty insurance increased in the 1st quarter of 2008 by 19.8% to €530 million (1–3/2007: €443 million).

Health insurance

The premium volume written in health insurance rose in the 2008 reporting period by 2.6% to €245 million (1–3/2007: €239 million). In Austria, the premium volume grew by 3.6% to €192 million (1–3/2007: €185 million). Internationally, premiums decreased slightly by 1.0% to €53 million (1–3/2007: €54 million) and thus contributed 21.7% (1–3/2007: 22.5%) to the Group's health insurance premiums.

The retained premiums earned (according to IFRS) increased in the 1st quarter of 2008 by 2.8% to €235 million (1–3/2007: €229 million).

Life insurance

The premium growth in life insurance in the 1st quarter of 2008 was very encouraging. Overall the premium volume written (including the savings portion of premiums from the unit- and index-linked life insurance) significantly increased by 29.9% to €623 million (1–3/2007: €479 million). Premiums in the area of recurring premium life insurance increased by 1.7% to €375 million (1–3/2007: €369 million) in the first three months of 2008. Because of the strong business growth in Hungary, Poland and Italy, the single premium policies in turn increased by 123.7% to €248 million (1–3/2007: €111 million). The risk premium share of unit- and index-linked life insurance included in the premiums totalled €23 million (1–3/2007: €20 million) in the 1st quarter.

In Austria, the premium volume written in life insurance grew significantly by 8.3% to €419 million (1–3/2007: €387 million). While the revenues from policies with recurring premium payments decreased marginally in the first three months of 2008 by 0.1% to €318 million (1–3/2007: €321 million), the single premium volume grew by 51.4% to €101 million (1–3/2007: €67 million). The premium volume in the area of unit- and index-linked life insurance also grew over-proportionally in the 1st quarter of 2008, with premiums in this area rising by 48.7% to €176 million (1–3/2007: €118 million).

The life insurance business in the Western European markets also developed positively in the 1st quarter of 2008. Overall, premium volume grew by 96.4% to €75 million (1–3/2007: €38 million). While the recurring premiums remained stable at €23 million (1–3/2007: €23 million), the single premium volume climbed by 238.1% to €53 million (1–3/2007: €16 million) in the first three months of 2008, driven primarily by the high growth in Italy. The life insurance business in Eastern and south-eastern Europe continued to develop at a fast pace in the 1st quarter of 2008. The UNIQA Group companies in these regions were able to increase the premium volume in the first three months of 2008 by 138.2% to €128 million (1–3/2007: €54 million). The share of premiums in Eastern Europe within the total Group life insurance premiums therefore increased to 20.6% (1–3/2007: 11.2%). The international share rose to a total of 32.7% (1–3/2007: 19.2%).

Including the net savings portions of premiums from unit- and index-linked life insurance, premium volumes earned in life insurance rose by 30.7% to €592 million (1–3/2007: €453 million) in the 1st quarter of 2008. The retained premiums earned (according to IFRS) grew by 10.7% to €377 million (1–3/2007: €340 million).

Insurance benefits continue to drop

In the 1st quarter of 2008, loss expenses and benefits paid by the UNIQA Group continued their decline. The total amount of retained insurance benefits decreased by 0.5% to €891 million (1–3/2007: €896 million). The insurance benefits before taking reinsurance into consideration even decreased by 8.2% to €917 million (1–3/2007: €999 million).

Property and casualty insurance

The claims ratio in property and casualty insurance after reinsurance amounted to 59.5% at the end of the 1st quarter of 2008, which was more than 6.1 percentage points below the comparable figure of the previous year (1–3/2007: 65.6%). The insurance benefits after reinsurance rose by 8.8% to €316 million (1–3/2007: €290 million) in the reporting period. However, the benefits before reinsurance dropped by 13.5% to €323 million (1–3/2007: €374 million).

The combined ratio after reinsurance clearly improved in the 1st quarter of 2008 compared to the first three months of the previous year, to stand at 90.1% (1–3/2007: 98.8%). Before taking reinsurance into consideration, the combined ratio was even at 86.7% (1–3/2007: 103.4%).

Health insurance

The retained insurance benefits, including the change in the actuarial provision, only slightly increased in the first three months of 2008 – compared with the increase of the premium volume – by 0.4% to €214 million (1–3/2007: €213 million).

Life insurance

In life insurance, the retained insurance benefits (including the change in the actuarial provision) decreased by 8.0% to €361 million (1–3/2007: €393 million) in the reporting period.

Group cost ratio drops to 20.8%

The total operating expenses for the insurance business, not including reinsurance commissions received, rose in the first three months of 2008 by 11.2% to €282 million (1–3/2007: €254 million). However, this increase was only about half as much as the increase in the premium volume, which was largely influenced by the increased business volume in Eastern and south-eastern Europe and the strong growth of unit-linked life insurance in Austria. Acquisition expenses rose here by 15.3% to €219 million (1–3/2007: €190 million). Due to the tight cost management dictated by the current profit improvement programme, other operating expenses for the insurance business dropped by 1.0% and amounted to €63 million (1–3/2007: €64 million) at the end of the 1st quarter.

The cost ratio, i.e. the relationship of total operating expenses to the Group premiums earned, including the savings portion of premiums from unit- and index-linked life insurance, including the reinsurance commissions received, stood at 20.8% (1–3/2007: 22.6%) after the 1st quarter.

Property and casualty insurance

Total operating expenses in property and casualty insurance increased in the reporting period by 10.0% to €162 million (1–3/2007: €147 million). Acquisition costs increased by 9.1% to €120 million (1–3/2007: €110 million). Other operating expenses rose disproportionately less than premium growth by 12.9% to €42 million (1–3/2007: €37 million).

The cost ratio in property and casualty insurance was at 30.5% (1–3/2007: 33.3%) after the first three months of 2008, including the reinsurance provisions received.

Health insurance

Total operating expenses decreased in the first three months of 2008 by 16.9% to €30 million (1–3/2007: €37 million). Acquisition costs dropped by 8.8% to €22 million (1–3/2007: €24 million). Other operating expenses (incl. reinsurance commissions received) even decreased by 33.2% to €8 million (1–3/2007: €12 million).

As a result of this development, the cost ratio in health insurance decreased in the 1st quarter of 2008 to 12.9% (1–3/2007: 16.0%).

Life insurance

In life insurance, total operating expenses rose in the first three months of 2008 by 28.4% to €90 million (1–3/2007: €70 million). At the same time, due to the satisfactory new business, acquisition costs increased by 38.4% to €77 million (1–3/2007: €55 million). The 1st quarter of 2008 also saw increased expenses from the change in deferred acquisition costs to the value of €9 million, in line with the development of new business. In contrast, other operating expenses fell by 9.1% to €13 million (1–3/2007: €15 million).

Including the reinsurance commissions received, the cost ratio in life insurance was 15.2% (1–3/2007: 15.5%) during the reporting period. Excluding the change in deferred acquisition costs, the cost ratio stood at 14.2% (1–3/2007: 16.2%).

Investments continued to increase

As at 31 March 2008, the UNIQA Group was able to increase investments (incl. land and buildings used by the Group, real estate held as financial investments, shares in associated companies and the investments of the unit- and index-linked life insurance) in comparison with the same point in 2007 by €41 million to a total of €21,647 million (31 March, 2007: €21,606 million).

Net investment income sank in the first three months of 2008, by 66.2% to €79 million (1–3/2007: €233 million). The main reason for this development was the poor performance of the stock markets that resulted, on the one hand, in the realised gains being about €60 million less than the comparative value of the previous year and, on the other hand, in an increased need for impairment of stock amounting to about €42 million, which was €35.5 million more than last year. In addition, due to the negative effects of the spread increase in the area of fixed-income securities, in particular for corporate bonds and emerging markets bonds, investment results were down by approximately €20 million. The value adjustments for fixed-income securities include write-offs for structured products amounting to a mere €6 million.

Profit on ordinary activities at €42 million after three months of 2008

The UNIQA Group's profit on ordinary activities decreased in the first three months of 2008, compared to the same period of the previous year, by 33.2% to €42 million (1–3/2007: €63 million). The operating profit of the Group after the 1st quarter was €49 million (1–3/2007: €72 million), corresponding to 32.0% below the previous year's level. The Group consolidated profit dropped by 69.7% to €14 million (1–3/2007: €46 million). The earnings per share were therefore at €0.12 (1–3/2007: €0.39).

Own funds and total assets

The total equity of the UNIQA Group decreased slightly in the 1st quarter of 2008, due to the decline in the revaluation reserve in comparison with the last reporting date by 4.9% or €75 million to €1,457 million (31 Dec. 2007: €1,532 million). This included shares in other companies amounting to €196 million (31 Dec. 2007: €196 million). The total assets of the Group as at 31 March 2008 were €25,709 million (31 Dec. 2007: €25,589 million).

Cash flow

The cash flow from operating activities in the first three months of 2008 decreased to €47 million (1–3/2007: €282 million). Cash flow from investing activities of the UNIQA Group, corresponding to the investment of revenue inflow during the reporting period, amounted to €–418 million (1–3/2007: €–333 million). The financing cash flow was balanced in the 1st quarter (1–3/2007: €95 million). In total, the amount of liquid funds changed by €–358 million (1–3/2007: €44 million).

Employees

Due to the continued addition to the sales force in the context of the current dynamisation projects in the Eastern European Group companies, the average number of employees in the UNIQA Group increased to 12,649 (1–3/2007: 10,790) in the 1st quarter 2008.

International companies

The premium volume written (incl. the savings portion of premiums from unit- and index-linked life insurance) outside of Austria increased during the 1st quarter of 2008 by 34.3% to €568 million (1–3/2007: €423 million). At the same time, the premium volume in Western Europe grew with a plus of 19.1% to €281 million (1–3/2007: €236 million). The growth of the companies in Eastern and south-eastern Europe was even more significant. In these regions the premium income increased by 53.2% to €288 million (1–3/2007: €188 million) in the 1st quarter of 2008. The level of internationalisation by the UNIQA Group after three months of 2008 was, therefore, at 34.8% (1–3/2007: 29.4%). The share of Eastern Europe already reached 17.6% (1–3/2007: 13.0%) while the share of Western Europe was at 17.2% (1–3/2007: 16.4%). Total insurance benefits in the international Group companies increased by 19.0% to €253 million (1–3/2007: €212 million) in the 1st quarter of 2008.

Capital market and UNIQA shares

The crisis in the US mortgage market ("sub-prime crisis") continued to require high value adjustments for financial institutions in the 1st quarter of 2008, and led to a marked fall in the risk appetite of private and institutional investors. The concerns regarding the future economic development in the US have increased even more and could not be completely dismissed in Europe either. At the same time, the high prices of oil, raw materials and food resulted in a growth of the inflationary pressure. Because of all these factors, the market development at the international stock exchanges did not proceed satisfactorily in the 1st quarter of 2008.

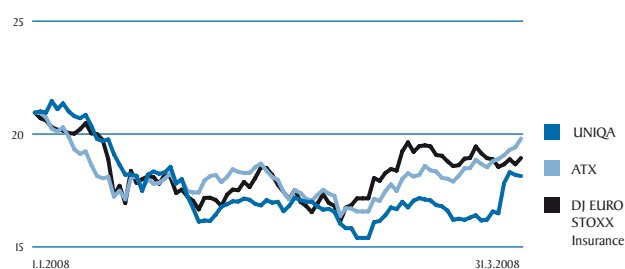
The steps taken by the US Federal Reserve regarding monetary policy stopped the marked phase of rate loss at the stock exchanges in the second half of January and led to a volatile sideward movement. But the DOW JONES INDUSTRIAL (DJI), the DJ EURO STOXX 50 and the NIKKEI 225 did not reach their lowest year-to-date points until March, with temporary lows that were even weaker than those in January. The subsequent measures regarding monetary policy by the US Federal Reserve once again proved to be beneficial for price performance. However, at the end of the quarter, the DJI had dropped below the year-end value by 7.6%, the DJ EURO STOXX 50 by 17.5%, the NIKKEI 225 by 18.2% and the Eastern Europe index CECE by 11.7%.

ATX, the Viennese leading index, barely performed better than the DJ EURO STOXX 50 with a decline of 16.6%. The price developments on the Vienna Stock Exchange basically reflected that of the other international stock exchanges. However, the recovery after the January lows was more distinct and even resulted in exceeding the 4,000 mark at the ATX for a short time at the end of February. A significant correction in the first half of March, however, caused it to drop again as of 17 March to the year's low so far of 3,524.64 points. But on 31 March 2008, the ATX was clearly higher again at 3,765.91 points.

The UNIQA share also suffered from the negative international events in the 1st quarter of 2008 and reached its lowest point at €15.40 on 20 March. This was followed by a successive recovery of the rate and on 31 March it had already increased to €16.67. In April, UNIQA shares continued to climb to €18.14 (+13.4%). The DJ EURO STOXX Insurance index lost 9.6% in the same period and was at 242.51 points on 30 April 2008.

Development of UNIQA shares

in €



Outlook

The uncertainty and volatility that is currently prevailing on the capital markets makes a reliable short-term forecast of results impossible at this time. However, due to the very good development of the technical results and the pleasing growth rate, we see no reason to change the medium-term targets of our Profit Improvement Programme through 2010.

Consolidated Balance Sheet

Assets	31.3.2008 € million	31.12.2007 € million
A. Tangible assets		
I. Self-used land and buildings	226	227
II. Other tangible assets	158	138
	384	365
B. Land and buildings held as financial investments	1,017	1,014
C. Intangible assets		
I. Deferred acquisition costs	896	873
II. Goodwill	320	293
III. Other intangible assets	38	39
	1,255	1,206
D. Shares in associated companies	533	507
E. Investments		
I. Variable-yield securities		
1. Available for sale	2,844	3,970
2. At fair value through profit or loss	989	976
	3,833	4,945
II. Fixed-interest securities		
1. Held to maturity	0	0
2. Available for sale	9,413	10,073
3. At fair value through profit or loss	389	497
	9,802	10,569
III. Loans and other investments		
1. Loans	1,046	982
2. Cash at credit institutions	2,567	649
3. Deposits with ceding companies	121	119
	3,734	1,751
IV. Derivative financial instruments	63	60
	17,432	17,326
F. Investments held on account and at risk of life insurance policyholders	2,440	2,470
G. Share of reinsurance in technical provisions	763	772
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	355	347
I. Receivables including receivables under insurance business	1,107	806
J. Receivables from income tax	53	51
K. Deferred tax assets	91	77
L. Liquid funds	289	647
Total assets	25,719	25,589

Equity and liabilities	31.3.2008 € million	31.12.2007 € million
A. Total equity		
I. Shareholders' equity		
1. Subscribed capital and capital reserves	206	206
2. Revenue reserves	889	886
3. Revaluation reserves	92	185
4. Group total profit	74	60
	1,261	1,336
II. Minority interests in shareholders' equity	196	196
	1,457	1,532
B. Subordinated liabilities	575	575
C. Technical provisions		
I. Provision for unearned premiums	653	430
II. Actuarial provision	15,264	15,167
III. Provision for outstanding claims	2,161	2,192
IV. Provision for profit-unrelated premium refunds	38	48
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	243	390
VI. Other technical provisions	40	38
	18,399	18,265
D. Technical provisions for life insurance policies held on account and at risk of policyholders	2,431	2,413
E. Financial liabilities	196	198
F. Other provisions	677	704
G. Payables and other liabilities	1,632	1,527
H. Liabilities from income tax	47	42
I. Deferred tax liabilities	306	333
Total equity and liabilities	25,719	25,589

Consolidated Income Statement

	1-3/2008 € million	1-3/2007 € million
1. Gross premiums written	1,405	1,319
2. Change due to premiums earned (retained)	1,142	1,012
3. Income from fees and provisions	5	21
4. Net investment income	79	233
5. Other income	19	13
Total income	1,245	1,278
6. Insurance benefits (net)	-891	-896
7. Operating expenses	-288	-275
8. Other expenses	-16	-34
9. Amortisation of goodwill	-1	-1
Total expenses	-1,196	-1,206
10. Operating profit	49	72
11. Financing costs	-7	-9
12. Profit on ordinary activities	42	63
13. Income taxes	-10	-13
14. Net profit	32	50
of which consolidated profit	14	46
of which minority interests	18	4
Earnings per share ¹⁾ in €	0.12	0.39
Average number of shares in circulation	119,427,808	119,427,808

¹⁾ The diluted earnings per share are equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit.

Development of Group Equity

	Equity		Minority interests		Total equity	
	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million
Situation as at 1.1.	1,336	1,122	196	207	1,532	1,330
Foreign currency translation	7	0	0	0	7	0
Dividends	0	0	0	0	0	0
Own shares	0	0	0	0	0	0
Net profit for the period	14	46	18	4	32	50
Unrealised capital gains and losses from investments and other changes	-96	28	-18	-2	-114	26
Situation as at 31.12.	1,261	1,196	196	210	1,457	1,406

Consolidated Cash Flow Statement

	1-3/2008 € million	1-3/2007 € million
Net profit including minority interests		
Net profit	32	50
of which interest and dividend payments	9	5
Minority interests	-18	-4
Change in technical provisions	138	253
Change in deferred acquisition costs	-23	-29
Change in amounts receivable and payable from direct insurance	-134	-69
Change in other amounts receivable and payable	-42	155
Change in securities at fair value through profit or loss	92	-11
Realised gains/losses on the disposal of investments	-50	-118
Depreciation/appreciation of other investments	155	40
Change in provisions for pension and severance payments	-32	1
Change in deferred tax assets/liabilities	-41	10
Change in other balance sheet items	-32	6
Change in goodwill and intangible assets	-2	-6
Other non-cash income and expenses as well as accounting period adjustments	3	4
Net cash flow from operating activities	47	282
of which cash flow from income tax	-5	-1
Receipts due to disposal of consolidated companies and other business units	189	0
Payments due to acquisition of consolidated companies and other business units	-190	-4
Receipts due to disposal and maturity of other investments	3,952	3,147
Payments due to acquisition of other investments	-4,399	-3,379
Change in investments held on account and at risk of life insurance policyholders	31	-97
Net cash flow used in investing activities	-418	-333
Change in investments on own shares	0	0
Dividend payments	0	0
Receipts and payments from other financing activities	0	95
Net cash flow used in financing activities	0	95
Change in cash and cash equivalents	-371	44
Change in cash and cash equivalents due to foreign currency translation	1	0
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	12	0
Cash and cash equivalents at beginning of period	647	263
Cash and cash equivalents at end of period	289	307
of which cash flow from income tax	-5	-1

The cash and cash equivalents correspond to item L. of the assets:
Liquid funds.

Segment Balance Sheet

Classified by segment

	Property and casualty		Health	
	31.3.2008 € million	31.12.2007 € million	31.3.2008 € million	31.12.2007 € million
Assets				
A. Tangible assets	245	220	15	16
B. Land and buildings held as financial investments	334	329	177	180
C. Intangible assets	378	323	216	216
D. Shares in associated companies	355	368	33	59
E. Investments	2,778	2,849	2,023	1,854
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	340	351	2	2
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	0	0
I. Receivables incl. receivables under insurance business	728	610	216	201
J. Receivables from income tax	22	21	3	3
K. Deferred tax assets	70	71	1	3
L. Liquid funds	82	106	21	158
Total segment assets	5,333	5,249	2,707	2,692
Equity and liabilities				
B. Subordinated liabilities	335	335	0	0
C. Technical provisions	2,618	2,436	2,398	2,348
D. Technical provisions for life insurance policies held on account and at risk of policyholders	0	0	0	0
E. Financial liabilities	141	169	2	1
F. Other provisions	631	665	8	9
G. Payables and other liabilities	895	899	64	30
H. Liabilities from income tax	31	31	4	5
I. Deferred tax liabilities	235	234	52	64
Total segment liabilities	4,886	4,768	2,529	2,458

Segment Income Statement

Classified by segment

	Property and casualty		Life		Health		Consolidation		Group	
	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million
1. Gross premiums written	765	721	245	239	396	359	0	0	1,405	1,319
2. Premiums earned (retained)	532	444	235	228	377	341	-1	-1	1,142	1,012
3. Income from fees and provisions	4	18	0	0	1	3	0	0	5	21
4. Net investment income	19	53	18	24	41	156	0	0	79	233
5. Other income	16	13	0	0	3	1	-1	-2	19	13
6. Insurance benefits	-317	-290	-214	-213	-361	-393	1	0	-891	-896
7. Operating expenses	-166	-166	-30	-36	-91	-73	0	1	-288	-275
8. Other expenses	-8	-24	1	-1	-9	-9	1	0	-16	-34
9. Amortisation of goodwill	0	0	0	0	-1	-1	0	0	-1	-1
10. Operating profit	80	47	10	2	-40	25	-1	-2	49	72
11. Financing costs	-3	-5	0	0	-4	-4	0	0	-7	-9
12. Profit on ordinary activities	77	42	10	2	-44	21	-1	-2	42	63
13. Income taxes	-10	-7	-2	-1	2	-5	0	0	-10	-13
14. Net profit	66	34	8	2	-42	16	-1	-2	32	50
of which consolidated profit	62	36	8	1	-55	11	-1	-2	14	46
of which minority interests	4	-1	1	0	13	6	0	0	18	4

Group Notes

Accounting regulations

As a publicly listed company, UNIQA Versicherungen AG is obligated to prepare its consolidated financial statements according to internationally accepted accounting principles. These consolidated interim financial statements for the period ending 31 March 2008, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), in the versions applicable to this reporting period. IFRS 8 "Operating segments" as issued in November 2006 was applied for the first time in the 1st quarter of 2008. This means that the main business fields described in the primary segment reporting

– property and casualty insurance, health insurance and life insurance – were used for reporting according to IFRS 8. Additional information by geographical areas is now only available in the annual report. The accounting and valuation principles and consolidation methods are the same as those applied in the preparation of the consolidated financial statements for the 2007 business year. For creation of these consolidated interim financial statements, according to IAS 34.41, estimates are used to a greater extent than as in the annual financial statements.

Scope of consolidation

In addition to the interim financial statement of UNIQA Versicherungen AG, the Group interim financial statements include the interim financial statements of all subsidiaries at home and abroad. A total of 51 affiliated companies did not form part of the scope of consolidation. They were of only minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income.

The scope of consolidation, therefore, contains – in addition to the UNIQA Versicherungen AG – 34 domestic and 65 foreign subsidiaries in which UNIQA Versicherungen AG held the majority voting rights.

The scope of consolidation was extended in the reporting period by the following companies:

	Date of initial inclusion	Net profit € million ¹⁾	Acquired shares %	Acquisition costs € million	Goodwill € million
UNIQA Real Estate Finanzierungs GmbH, Vienna	1.1.2008	0.0	100.0	0.0	0.0
SIGAL Holding sH.A., Tirana	1.1.2008	0.4	45.6	18.3	10.3

¹⁾ Net profit for the period included in the consolidated statements.

In the 1st quarter of 2008, the UNIQA Group acquired an additional 36.0% in the Albanian insurance holding SIGAL Holding sH.A., bringing the Group's share in the SIGAL Group up to 45.6%. This is recorded on the

balance sheet under shares in associated companies. The holding in the Ukrainian company Credo-Classic was expanded from 35.5% to 61.0%. The company has been fully consolidated since 31 March 2008.

Foreign currency translation

The reporting currency of UNIQA Versicherungen AG is the euro. All financial statements of foreign subsidiaries which are not reported in euros are converted, at the rate on the balance sheet closing date, according to the following guidelines:

- Assets, liabilities and transition of the net profit/deficit for the period at the middle rate on the balance sheet closing date
- Income statement at the average exchange rate for the period
- Equity capital (except for net profit/deficit for the period) at the historic exchange rate

Resulting exchange rate differences are set off against the shareholders' equity without affecting income.

The most important exchange rates are summarised in the following table:

€ rates on balance sheet closing date	31.3.2008	31.12.2007
Swiss franc CHF	1.5738	1.6547
Slovakian koruna SKK	32.5820	33.5830
Czech koruna CZK	25.3350	26.6280
Hungarian forint HUF	259.4300	253.7300
Croatian kuna HRK	7.2690	7.3308
Polish zloty PLN	3.5220	3.5935
Bosnia and Herzegovina convertible mark BAM	1.9484	1.9517
Romanian leu (new) RON	3.7270	3.6080
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	7.8859	7.3633
Serbian dinar RSD	82.4273	78.7950

Notes to the consolidated income statement

Net investment income

By segment	Property and casualty		Health		Life		Consolidated financial statements	
	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million
I. Properties held as financial investments	3	2	12	2	8	2	23	6
II. Shares in associated companies	8	18	1	0	41	0	51	18
III. Variable-yield securities	-12	34	-7	8	-82	68	-101	109
1. Available for sale	-9	32	-7	6	-66	50	-83	88
2. Reported in the income statement	-2	1	0	2	-16	18	-18	21
IV. Fixed interest securities	-2	4	-4	8	-1	79	-7	92
1. Held to maturity	0	0	0	0	0	0	0	0
2. Available for sale	-1	4	-2	7	10	75	6	86
3. Reported in the income statement	-1	1	-2	1	-10	5	-13	6
V. Loans and other investments	15	4	6	4	8	3	29	10
1. Loans	4	4	4	3	2	3	10	10
2. Other investments	11	0	2	1	6	0	19	1
VI. Derivative financial instruments	7	3	10	2	69	7	86	12
VII. Expenditures for asset management, interest expenditures and other	0	-12	0	0	-2	-1	-2	-14
Total (fully consolidated values)	20	52	17	23	42	158	79	233

By segment and income type	Property and casualty		Health		Life		Group	
	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million	1-3/2008 € million	1-3/2007 € million
Ordinary income	45	28	23	19	118	116	186	163
Write-ups and unrealised capital gains	6	3	11	3	71	43	88	50
Realised capital gains	8	38	11	9	172	81	191	128
Write-offs and unrealised capital losses	-28	-14	-22	-8	-234	-77	-284	-99
Realised capital losses	-12	-3	-5	-1	-85	-5	-101	-9
In the consolidated financial statements	20	52	17	23	42	158	79	233

The amortisations and unrealised losses of €284 million include expenses from currency fluctuations to the value of €109 million. These expenses from currency fluctuations are offset by income from hedging business amounting to €96 million, which are shown under income from derivative financial instruments.

Other disclosures

Employees

Average number of employees	1-3/2008	1-3/2007
Total	12,649	10,790
of which business development	5,395	4,045
of which administration	7,254	6,745

These consolidated quarterly financial statements were neither audited nor reviewed by an auditor.

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